Electronically Recorded

Official Public Records

Augenne Henlesse

Tarrant County Texas

2008 Oct 28 04:18 PM

Fee: \$ 40.00

D208408775

Submitter: SIMPLIFILE

7 Pages

Suzanne Henderson
NOTICE OF CONFIDENTIALITY RIGHTS: A NATURAL PERSON MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION BEFORE IT IS FILED IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

XTO REV PROD 88 (7-69) PAID UP (04/17/07)B

NO SURFACE USE OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 16th day of June, 2008, between Lynn Mack Czekaj, Lessor (whether one or more), whose address is: 6400 Stone Creek Meadow Ct, Fort Worth Tx 76137-1934, and XTO Energy Inc., whose address is: 810 Houston St., Fort Worth, Texas 76102, Lessee, WITNESSETH:

1. Lessor, in consideration of ten dollars and other valuable consideration, receipt of which is hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease and let unto Lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to those mentioned), together with the right to make surveys on said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, telephone lines, employee houses and other structures on said land, necessary or useful in Lessee's operations in exploring, drilling for, producing, treating, storing and transporting minerals produced from the land covered hereby or any other land adjacent thereto. The land covered hereby, herein called "said land," is located in the County of Tarrant, State of Texas, and is described as follows:

See Exhibit "A" attached hereto and made a part hereof:

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by Lessor by limitation, prescription, possession, reversion, after-acquired title or unrecorded instrument or (b) as to which Lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by Lessee for a more complete or accurate description of said land. For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain 0.25387 acres, whether actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

- Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of three (3.00000) years from the
 date hereof, hereinafter called "primary term," and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more
 than ninety (90) consecutive days.
- than ninety (90) consecutive days.

 3. As royalty, Lessee covenants and agrees: (a) To deliver to the credit of Lessor, in the pipe line to which Lessee may connect its wells, the equal 25% part of such 31 politored and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average posted market price of such 25% part of such 31 in the wells as of the day it is run to the pipe line or storage tanks, Lessor's interest, in either case, to bear 25% of the cost of treating oil to render it marketable pipe line oil; (b) To pay Lessor on gas and casinghead gas produced from said land (1) when sold by Lessee, 25% of the amount realized by Lessee, computed at the mouth of the well, or (2) when used by Lessee of said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, or (2) when used by Lessee of said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, or (2) when used by Lessee of said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, or (2) when used by Lessee of said land or in an interest of the said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, Lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separation, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to Lessee. If, at any time or times after the expiration of said ni
- date for payment. Nothing herein shall impair Lessee's right to release as provided in paragraph 5 hereot, in the event or assignment or this lease, it is liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to acreage owned by each.

 4. Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, or leases, as to any or all minerals or horizons, so as to establish units containing not more than 80 surface acres, plus 10% acreage tolerance; provided, however, units may be established as to any one or more horizons, so as to contain not covered by the containing the provided of the provi
- Lessee may at any time and from time to time execute and deliver to Lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations, as to the released acreage or interest.
- 6. Whenever used in this lease the word "operations" shall mean operations for and/or any of the following: preparing the drillsite location or access road, drilling, testing, completing, reworking, recompleting, deepening, sidetracking, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other mineral, whether or not in paying quantities.
- 7. Lessee shall have the use, free from royalty, of water, other than from Lessor's water wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing. No well be drilled nearer than 200 feet to the house or barn now on said land without the consent of the Lessor. Lessee shall pay for damages caused by its operations to growing crops and timber on said land.
- 8. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any mineral or horizon. All of the covenants observed in the covenants of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns, and successive assigns. Not the ownership of said land, royalties, or other moneys, or any part thereof, howsoever effected, shall increase the obligations or diminish the ownership of said land, royalties, or other moneys, or any part thereof, howsoever effected, shall increase the obligations or diminish the ownership of said land or of the royalties, or other moneys, or the

right to receive the same, howsoever effected, shall be binding upon the then record owner of this lease until sixty (60) days after there has been furnished to such record owner at his or its principal place of business by Lessor or Lessor's heirs, successors, or assigns, notice of such change or division, supported by either originals or duly certified copies of the instruments which have been properly filed for record and which evidence such change or division, and of such court records and proceedings, transcripts, or other documents as shall be necessary in the opinion of such record owner to establish the validity of such change or division. If any such change in ownership occurs by reason of the death of the owner, Lessee may, nevertheless pay or tender such royalties, or other moneys, or part thereof, to the credit of the decedent in a depository bank provided for above.

- 9. In the event Lessor considers that Lessee has not complied with all its obligations hereunder, both express and implied, Lessor shall notify Lessee in writing, setting out specifically in what respects Lessee has breached this contract. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. If this lease is canceled for any cause, it shall nevertheless remain in force and effect as to (1) sufficient acreage around each well as to which there are operations to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less that forty acres), such acreage to be designated by Lessee as nearly as practicable in the form of a square centered at the well, or in such shape as then existing spacing rules require; and (2) any part of said land included in a pooled unit on which there are operations. Lessee shall also have such easements on said land as are necessary to operations on the acreage so retained and shall not be required to move or remove any existing surface facilities necessary or convenient for current operations.
- 10. Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever. Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes or other liens, or interest and other charges on said land, but Lessor agrees that Lessee shall have the right at any time to pay or reduce same for Lessor, either before or after maturity, and be subrogated to the rights of the holder thereof and to deduct amounts so paid from royalties or other payments payable or which may become payable to Lessor and/or assigns under this lease. If this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties and other moneys accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. This lease shall be binding upon each party who executes it without regard to whether it is executed by all those named herein as Lessor. executed by all those named herein as Less
- 11. If, while this lease is in force, at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and Lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except financial) beyond the reasonable control of Lessee, the primary term hereof shall be extended until the first anniversary date hereof occurring ninety (90) or more days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.
- 12. Lessor agrees that this lease covers and includes any and all of Lessor's rights in and to any existing well(s) and/or wellbore(s) on said land, other than existing water wells, and for all purposes of this lease the re-entry and use by Lessee of any existing well and/or wellbore shall be deemed the same as the drilling of a new well.
- 13. Notwithstanding anything to the contrary contained in this lease, at the option of Lessee, which may be exercised by Lessee giving notice to Lessor, a well which has been drilled and Lessee intends to frac shall be deemed a well capable of producing in paying quantities and the date such well is shut-in shall be when the drilling operations are completed.
- 14. As a result of land development in the vicinity of said land, governmental rules or ordinances regarding well sites, and/or surface restrictions as may be set forth in this lease and/or other leases in the vicinity, surface locations for well sites in the vicinity may be limited and Lessee may encounter difficulty securing surface location(s) for drilling, reworking or other operations. Therefore, since drilling, reworking or other operations are either restricted or not allowed on said land or other leases in the vicinity, it is agreed that any such operations conducted at a surface location off of said land or off of lands with which said land are pooled in accordance with this lease, provided that such operations are associated with a directional well for the purpose of drilling, reworking, producing or other operations under said land or lands pooled therewith, shall for purposes of this lease be deemed operations conducted on said land. Nothing contained in this paragraph is intended to modify any surface restrictions or pooling provisions or restrictions contained in this lease, except as expressly stated.

IN WITNESS WHEREOF, this instrument is executed on the date first above written.

LESSOR(S):

Acknowledgement

STATE OF

} ss.

This instrument was acknowledged before me on the Mack Czekar

Printed

Signature __

Notary Public

My commission expires:

Seal:

CASIMIRA FLORES MY COMMISSION EXPIRES December 14, 2008

12-14-2008

EXHIBIT 'A'

This Exhibit 'A' is attached to and made a part of that certain Oil, Gas and Mineral Lease dated the 16th day of June, 2008 by and between Lynn Mack Czekaj, as Lessor and XTO Energy Inc., as Lessee.

BEING 0.25387 acres of land, more or less, and being described in ONE TRACT(S) as follows:

Being 0.25387 acres of land, more or less, and being Stoneglen At Fossil Creek Addn Blk E Lot 48, an Addition to the City of Fort Worth, Tarrant County, Texas and being more particularly described as a Deed dated 8/31/2007 and recorded at Instrument #D207336790 of the Deed Records of Tarrant County, Texas.

- 15. Option Clause: Notwithstanding anything to the contrary contained herein, Lessee is hereby granted the exclusive option, to be exercised prior to the date on which this lease or any portion thereof would expire in accordance with its terms and provisions, of extending this lease for an additional period of two (2) years as to all or any portion of the acreage described herein. The only action required by Lessee to exercise this option being payment to Lessor, or to Lessor's credit with the depository bank named herein, of an additional consideration of the sum of \$5,666.67 per net mineral acre so extended, which payment shall cover the entire two (2) year extended primary term. Should this option be exercised as herein provided, it shall be considered for all purposes as though this lease originally provided for a primary term of five (5) years. If this lease is extended as to only a portion of the acreage then covered hereby, Lessee shall designate such portion by a recordable instrument.
- 16. <u>Surface Restrictions:</u> It is agreed by and between the parties hereto, that no surface operations will be conducted upon the above-described leased premises without the prior written consent of Lessor.

Signed for Identification:

Lvnn Maek Czekai

ADDENDUM TO OIL, GAS AND MINERAL LEASE

This addendum is attached to and made part of that certain oil, gas, and mineral lease between Lynn Mack Czekaj, ("Lessor"), and XTO ENERGY INC., ("Lessee"), a Delaware corporation, dated June 16th, 2008. If any of the following provisions conflict with or are inconsistent with any of the printed provisions of the lease, the following provisions shall control.

I.

This lease shall be specifically limited to the production of oil and gas and those other gaseous or liquid hydrocarboneous minerals located within the Leased Premises and produced through a well bore.

II.

Lessor's royalty shall be calculated free and clear of costs and expenses for exploration, drilling, development and production, including, but not limited to, dehydration, storage, compression, separation by mechanical means and product stabilization, incurred prior to the oil, gas and other mineral production leaving the leased premises or prior to delivery into a pipeline or gathering system, whichever occurs first; provided, however, (a) Lessee shall have free use of produced oil and gas for operations conducted on the leased premises or lands pooled therewith, and the royalties on oil and gas herein provided shall be computed after deducting any so used, and (b) Lessor's royalty shall bear its proportionate share of all ad valorem taxes and production, severance and other taxes and the actual, reasonable costs (including compression and related fuel charges) paid to or deducted by a third party to transport, compress, stabilize, process or treat the oil, gas and other mineral production off the leased premises in order to make the oil, gas and other mineral production saleable, increase its value or in order to get the oil, gas and other mineral production to a market.

III.

After the Primary Term, if there is a gas well on this Lease that is capable of producing in paying quantities, but gas is not being sold for a period of sixty (60) consecutive days, and this Lease is not otherwise being maintained, Lessee shall pay or tender an annual shut-in royalty of \$50.00 per acre then covered by this Lease. Payment with respect to such well will be due within ninety (90) days after the later of (i) the date the well is shut-in, or (ii) the date this Lease is not otherwise being maintained. Thereafter, while such well remains shut-in, Lessee shall make shut-in payments in the same amount at annual intervals on or before the anniversary of the date the first payment is due. While any such well is shut-in, this Lease shall be considered as producing in paying quantities for all purposes of this Lease. At the option of Lessee, which may be exercised by Lessee giving notice to Lessor, a well. which has been drilled and Lessee intends to frac shall be deemed a well capable of producing in paying quantities and the date such the well is shut-in shall be when the drilling operations are completed. It is expressly agreed and understood that Lessee shall have no right to maintain this lease in force after the expiration of the primary term hereof by payment of shut-in gas royalty for any period exceeding twenty-four (24) consecutive months. The payment or tender of royalty under this paragraph may be made by the check of Lessee mailed or delivered to the parties entitled thereto on or before the due date.

IV.

Unless terminated otherwise, it is expressly agreed and understood that at the end of the primary term of the lease or the expiration of the operations, additional drilling, reworking and continuous development provisions of this lease, whichever is later, this lease shall terminate as to all depths one hundred (100) feet below the stratigraphic equivalent of the base of the deepest formation drilled.

Lessee agrees to include all of the Leased Premises in any unit formed for pooling purposes and shall not include any fractional portion of the Leased Premises without the prior written consent of Lessor.

VI.

Lessee may at any time and from time-to-time execute and deliver to Lessor or file for record a release or releases of this lease as to any part or all of said land or any mineral or horizon under the lease, and thereby be relieved of all obligations incurred after such release, unless Lessee is restricted from surrendering the lease by the terms of a pooling agreement governing the land covered by this lease.

VII.

Lessee shall notify Lessor of any assignment or sublease of this lease, and all assignees or sublessee shall be subject to all of Lessee's obligations under this lease. Lessor shall notify Lessee of any assignment of Lessor's interest in the land covered by the Lease.

VIII.

Lessor shall have no obligation to act or support any variance, waiver, or other relief sought by Lessee from any law, rule, regulation, or order applicable to the Leased Premises.

IX.

In the event Lessor considers that Lessee has failed to comply with any obligation imposed by the lease, express or implied, Lessor shall notify Lessee in writing, specifying in what respect Lessor claims Lessee has breached this lease. If, within 60 days after the receipt of such notice, Lessee shall meet the breach alleged by Lessor, Lessee shall not be deemed to be in default of the lease. If Lessee fails to meet the specified obligations and/or conditions of the lease within said 60 day notice period, Lessor shall have the right to pursue all available remedies at law or in equity.

X.

Notwithstanding anything to the contrary in this Lease, Lessee shall not enter upon the surface of, cross over, place any structure or building upon, or conduct any operations (including but not limited to geophysical/seismic operations) on the surface of the Property, or within six hundred feet (600') of the Property. Lessee shall only develop the Property by pooling, as provided herein, or by directional or horizontal drilling commenced from a surface location on other lands. Notwithstanding anything to the contrary in the Lease, Lessee has no right to drill horizontally, vertically, or at an angle under the Property at any depth that is less than three hundred (300) feet below the surface. All subsurface easements provided by this provision shall terminate upon the expiration of the lease.

XI.

Should Lessee be prevented by reason of Force Majeure from complying with any express or implied covenant of this lease (other than a requirement to pay money that has already accrued and is due), from conducting drilling or reworking operations under the lease, or from producing oil or gas, then while so prevented, that covenant will be suspended; Lessee will not be liable for damages for failure to comply with the lease; this lease will be extended so long as Lessee is prevented from conducting drilling or reworking operations on or from producing oil or gas from the

lease premises; and the time while Lessee is so prevented will not be counted against Lessee. "Force Majeure" means any Act of God, riot, war, insurrection, strike, any federal or state law, or any rule or regulation of governmental authority, but financial reasons or shortage of equipment shall not be considered Force Majeure. Force Majeure shall extend this lease for a reasonable period of time beyond the end of the actual Force Majeure, in order for Lessee to prepare for and to proceed with conducting the desired operations on or from producing oil or gas from the leased premises.

XII.

Lessor warrants and agrees to defend the title to the leased premises against all persons who lawfully claim title to the leased premises or any part thereof, by, through or under Lessor, but not otherwise, and Lessor assigns to Lessee any warranties of title that were made to Lessor and Lessor's predecessors. If Lessor owns an interest in the Leased Premises that is less than the entire mineral interest under the Leased Premises, then the royalties and shut-in payments payable under the lease will be reduced proportionately.

XIII.

Noise levels associated with Lessee's operations related to the drilling, completion and reworking of wells shall comply with the City of Fort Worth Drilling Ordinance, as amended..

XIV.

At all times while this lease is in force, Lessee shall acquire and maintain insurance covering all of its operations on the Leased Premises, including any work performed on its behalf by contractors, subcontractors, and others. The policies shall include coverage for comprehensive general liability, for bodily injury and property damage, blowout and loss of well coverage, and coverage for any damage to the environment, including coverage for the cost of clean up and surface remediation. The coverage shall be in the minimum amount of \$5,000,000. Upon written request, Lessee shall furnish a certificate from the issuing insurance company or companies evidencing the coverage. Such insurance requirements may be met by a combination of self-insurance, primary, and excess policies.

XV.

LESSEE AGREES TO INDEMNIFY AND HOLD HARMLESS LESSOR, AND LESSOR'S REPRESENTATIVES, EMPLOYEES, TRUSTEES, VOLUNTEERS, AGENTS, SUCCESSORS, AND ASSIGNS AGAINST ALL EXPENSES, CLAIMS, DEMANDS, LIABILITIES, AND CAUSES OF ACTION OF ANY NATURE FOR INJURY TO OR DEATH OF PERSONS AND LOSS OR DAMAGE TO PROPERTY, INCLUDING, WITHOUT LIMITATION, REASONABLE ATTORNEY FEES, EXPERT FEES, AND COURT COSTS, CAUSED BY, OR RESULTING FROM LESSEE'S OPERATIONS UNDER THIS LEASE, INCLUDING LESSEE'S MARKETING OF PRODUCTION FROM THE LEASED PREMISES OR ANY VIOLATION OF ANY ENVIRONMENTAL REQUIREMENTS BY LESSEE. AS USED IN THIS PARAGRAPH, THE TERM "LESSEE" INCLUDES LESSEE, ITS AGENTS, EMPLOYEES, SERVANTS, CONTRACTORS, AND ANY OTHER PERSON ACTING UNDER ITS DIRECTION AND CONTROL, AND ITS INDEPENDENT CONTRACTORS. AS USED IN THIS PARAGRAPH, THE TERM "LEASE PREMISES" INCLUDES THE LAND COVERED BY THIS LEASE. LESSEE'S INDEMNITY OBLIGATIONS SURVIVE THE TERMINATION OF THIS LEASE.

XVI.

Lessee's obligations to pay money under this Lease are to be performed in Tarrant County, Texas.

For the same consideration, Lessor hereby grants unto Lessee, its successors and assigns, the option to extend the primary term of this lease for an additional two (2) years from the expiration of the original primary term hereof as to all or any portion of the acreage then held hereunder which would expire unless so extended. This option may be exercised by Lessee, or its successors and assigns, at any time during the primary term hereof by paying to Lessor or to Lessor's credit at the depository bank which may be named herein, a sum equal to two-thirds of the original bonus paid per net mineral acre for this lease, which payment shall cover the two years of the extended term and Lessor acknowledges that there will be no rental payments due for or during the extended term. Payment made be made by check or draft mailed or delivered to Lessor or to said depository bank which may named herein. Should this option be exercised as herein provided, it is agreed that Lessee may execute and file of record an appropriate recordable instrument evidencing the exercise of this option.

Lessor: